



IAIS

INTERNATIONAL ASSOCIATION OF
INSURANCE SUPERVISORS

Draft Application Paper on Supervision of Insurer Cybersecurity

Global Seminar

Session 7: Supervision of Insurer Cybersecurity and Risks
Associated with Third-Party Service Providers

27 July 2018

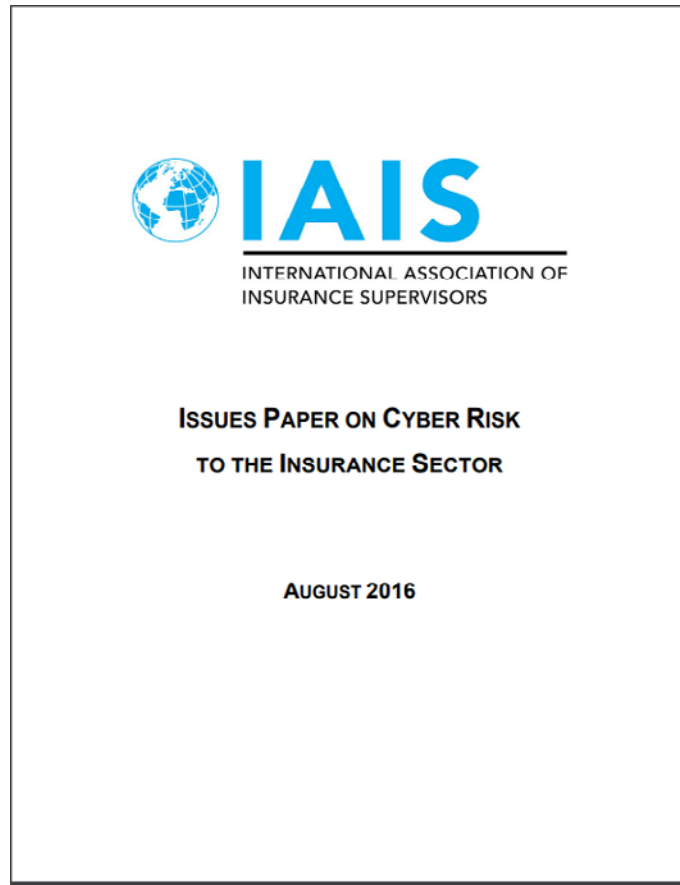


Agenda

- Background
- Purpose and Scope
- Structure
- Conclusion
- Next Steps and Indicative Timeline
- Q&A

Background

- Follow-up on the IAIS *Issues Paper on Cyber Risk to the Insurance Sector* (August 2016).



Purpose and Scope

- The Application Paper is intended to provide further guidance to supervisors seeking to develop or enhance their approach to supervising the cyber risk, cybersecurity, and cyber resilience of insurers.
- Insurers are also invited to consider this Application Paper, to assist in developing and implementing good cyber security practices in their organisations.
- This Paper is advisory (not prescriptive), intends to have broad applicability across jurisdictions, and to be consistent with the IAIS principle of proportionality.

Structure

- Principles-based and builds on frameworks and guidance such as the *G7 Fundamental Elements of Cyber Security for the Financial Sector (G7FE)*, the related *G7 Fundamental Elements for Effective Assessment of Cybersecurity for the Financial Sector*; and the *CPMI-IOSCO Guidance on Cyber Resilience for Financial Market Infrastructures*.

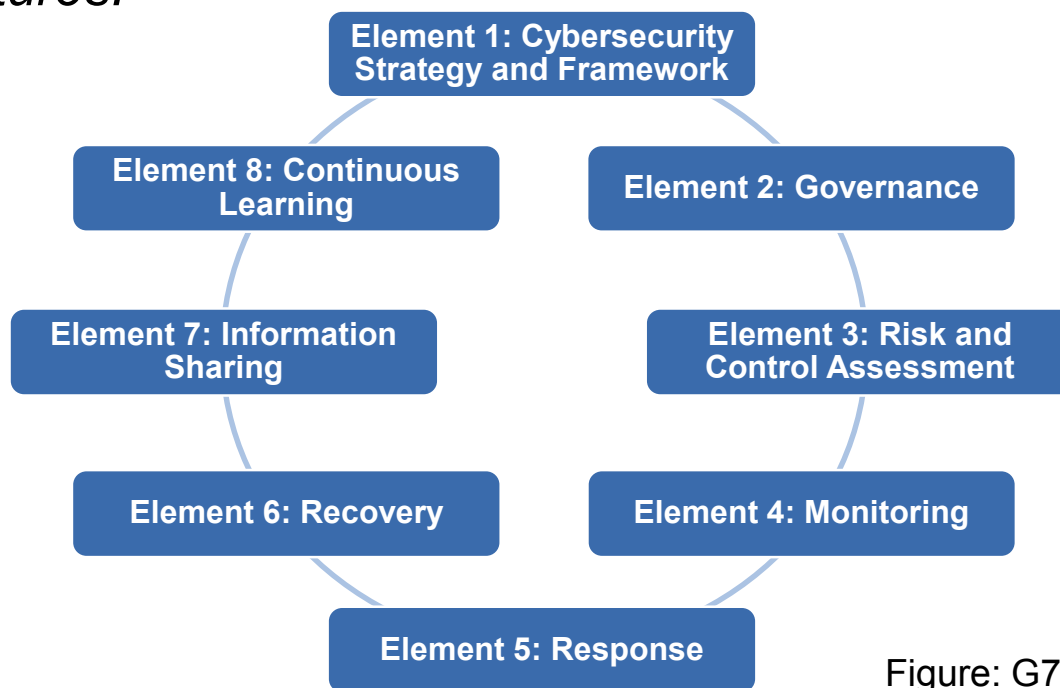


Figure: G7FE

Conclusion

- Recognizing that achieving perfect cybersecurity is at most an aspirational goal, supervisors have an important role in leveraging the work of experts (both public and private sector), such as those referenced in this Application Paper, to develop applicable expectations for the cyber resilience of insurers under their jurisdiction, and holding insurers accountable to those expectations.
- The interests of supervisors and responsible insurers in protecting the financial system, individual institutions, and policyholders from cybersecurity risks, while avoiding regulatory fragmentation and overlap, are aligned. Accordingly, consultation and coordination among regulators and insurance industry stakeholders should be encouraged as jurisdictions develop and improve supervision of insurer cybersecurity.

Next Steps and Indicative Timeline

13 August 2018	Due date for public comments
Mid August – November 2018	Revision to, and consideration of, the Application Paper within the IAIS
Early November 2018	Final Application Paper adopted at the IAIS Annual General Meeting in Luxembourg

Any Questions?